

in all NBA games, with the right to license up to 85 additional games to national cable networks, of which WGN Continental Broadcasting Company ("WGN") (a so-called "superstation") is one.

The NBC contract does prohibit individual NBA teams from licensing games to national cable networks (including WGN). The individual teams are only authorized to license their own games in their local markets.¹ If there were no such restriction and every individual team had the right to contract individually with national networks, it would be impossible for the NBA to provide broadcast networks with attractive and substantial packages that ensure the broadest exposure of NBA games on national broadcast television.

As Tribune fully understands, but does not advise the Commission, under the new NBC contract, more NBA games will be

different standard than that by which Tribune and all other program suppliers and acquirers operate.

Tribune does not have an inalienable right to telecast NBA games. Tribune has used its extraordinary market power to gain control over the local telecasts of 7 teams in Major League Baseball and 4 teams in the NBA. But, these (local) rights do not extend to the national marketplace, for which Tribune is only one potential bidder of many, and for which the NBA, acting for all of its teams, is the only licensor of national telecasts.²

Tribune's motivation is hardly a secret. Its concern is only its own profit, derived by purchasing local programming which is then distributed via a national cable network and for which Tribune charges national advertising rates.³ The Commission should not be misled. Harm to Tribune's economic interest is not the same as harm to sports fans and consumers. The NBA would welcome a study of NBA television policies, which

² If the NBA's agreement to limit the national distribution of its games by individual teams via national telecasts is not upheld, the NBA, as an alternative, has adopted a fee for each game that any member team licenses for national distribution on carriers such as WGN. The assertion by Tribune that the fee is "prohibitive" is false. The NBA currently receives from TNT, a competitor of WGN in the national cable marketplace, substantially more per game than that which would be charged to WGN under the back-up fee arrangement recently adopted by the NBA.

³ In contrast to the NBA on NBC, which is available universally and for free, Chicago Bulls games broadcast by WGN are only available outside of Chicago (WGN's local market) to those television viewers who are serviced by a cable system that provides WGN and who pay for such cable service.

have assured that NBA games are watched by ever-increasing numbers of viewers on over-the-air and cable television throughout the United States.

Respectfully yours,

NATIONAL BASKETBALL ASSOCIATION

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